

25X1

REFERENCE CENTER LIBRARY

25X1

THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT OF 1917, U. S. C. 50, AS AMENDED. ITS TRANSMISSION OR THE REVELATION OF ITS CONTENTS TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW. TRANSMISSION OF THIS FORM IS PROHIBITED. NO INFORMATION CONTAINED IS FOR THE USE OF ANY OTHER AGENCY OF THE RECEIVING AGENCY.

THIS IS UNEVALUATED INFORMATION FOR THE RESEARCH
USE OF TRAINED INTELLIGENCE ANALYSTS

25X1

1. The Soviet currency reform of December 1947 caused considerable hardship to all Soviet official foreign service employees sent from the USSR to China. The new stabilization of the ruble based on the American dollar affected Soviet employees in Shanghai especially during January 1948, when they received only 40% of their regular December 1947 salary. Their salaries are paid in rubles converted (on paper) into US dollars and paid in CNY according to the official rate of exchange. Such Soviet financial transactions as these are handled by the Shanghai Branch of the Narodny Bank. From the salaries paid to Soviet employees from the USSR living in Shanghai the following deductions are made: 25% for various pensions, health insurance and similar funds; 8% for membership fee in the Party and other Party funds. In addition, living and quarters allowances are not paid to those Soviet employees not having official apartments.

2. On 12 February 1948 at the Soviet Consulate General in Shanghai a meeting was held by Soviet employees who had come from the USSR; at this meeting they discussed their salary problems and the following decisions were made:

- (1) To recommend that members of families--children over 18 years of age and wives from the USSR--be permitted to enter the services of Soviet official representations.

- (2) To use the black market (? exchange rate) to compensate for the monetary loss resulting from the payment of salaries in CNE.

- (3) To forward to the USSR Embassy in Hanking a table of pay scales based on the local cost of living index.

25X1

CLASSIFICATION CONFIDENTIAL
 STATE # 2 NAVY # 8 NSRB
 ARMY # 8 AIR
 WARNING NOTICE: THIS DISTRIBUTION LISTING MUST BE
 EXCISED BEFORE PUBLIC RELEASE OF THIS DOCUMENT.

This document is hereby regraded to
CONFIDENTIAL in accordance with the
letter of 16 October 1978 from the
Director of Central Intelligence to the
Archivist of the United States.
Next Review Date: 2008
Approved For

CONFIDENTIAL

CONFIDENTIAL

Document No.

NO. 7

Date 10-11-1970

25X1

